GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:1182
ANSWERED ON:07.03.2008
NSSO AND MPCE
Mondal Shri Abu Ayes

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) the details of economic criteria fixed for BPL people/family and their Monthly Per Capita Expenditure (MPCE), State-wise;

(b) whether one out of five people in rural India has no capacity to spend even Rs. 12 daily, according to a report of National Sample Survey Organisation (NSSO) released recently; and

(c) if so, the facts thereof and the steps taken in this regard?

Answer

MINISTER OF RURAL DEVELOPMENT (DR. RAGHUVANSH PRASAD SINGH)

(a) The Planning Commission uses a poverty line based on per capita consumption expenditure as the economic criterion to determine the persons living below the poverty line. The poverty line is expressed in terms of per capita consumption expenditure needed to attain a minimum amount of calorie intake out of food consumption along with a minimum amount of non-food expenditure in order to meet the requirements of clothing, shelter, transport etc. The per capita consumption norm has been fixed at Rs.49.09 per month in rural areas and Rs.56.64 per month in urban areas at 1973-74 prices at national level corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas. The state-specific poverty lines are derived from the national level poverty lines, using state-specific price indices and inter-state price differentials. The national poverty line at 2004-05 prices is Rs.356.30 per person per month in rural areas and Rs.538.60 per person per month in the urban areas. The state-wise poverty lines in 2004-05 are given in Annexure-I. Annexure-II gives the major state-wise monthly per capita expenditure of people living below the poverty line estimated from the National Sample Survey data of household consumer expenditure of 2004-05.

(b) Based on the percentage of rural and urban population below specified levels of monthly per capita consumption expenditure (MPCE) given in the Report No. 523(62/1.0/1), `Household Consumer Expenditure in India, 2005-2006`, of NSS 62nd Round (July 2005 - June 2006) brought out by the National Sample Survey Organization (NSSO), Ministry of Statistics and Programme Implementation, Government of India, the per capita consumption expenditure of 18.7% of the rural population and 4.7% of the urban population in the country is less than Rs.12 per day (Rs. 365 per month). It implies that 16.3 crore people in the country spend less than Rs. 12 per month representing 14.7% of the total population.

(c) The Ministry of Rural Development has been implementing the poverty alleviation programmes to provide wage and self employment programmes with the objective of generating incremental income of the rural households. With effect from 1st April, 2008, all the districts of the country will be covered under National Rural Employment Guarantee Scheme which is primarily a wage employment scheme. Under this programme, each rural household is guaranteed 100 days of wage employment in a financial year whose adult members are willing to take up unskilled manual work. The Swaranjayanti Gram Swarozgar Yojana (SGSY) is a self-employment programme under which the rural poor are provided assistance in the form of subsidy and credit to take up economic activities which could generate income on a sustainable basis. The Government have also extended the Indira Gandhi Old Age Pension Scheme to all the BPL persons who are of the age of 65 and above and are given a pension of Rs.200 per month. The State Governments are also required to supplement this amount.

Annexure -I

Annexure referred to in reply to Lok sabha Unstarred Question No. 1182 due for reply on 7.3.2008

State-Specific Poverty Lines in 2004-05

(Rs. per capita per month)

S. No.	State/U.T.`s	Rural	Urban
1	Andhra Pradesh	292.95	542.89
2	Assam	387.64	378.84

3	Bihar	354.36	435.00
4	Chhattisgarh	322.41	560.00
5	Delhi	410.38	612.91
6	Goa	362.25	665.90
7	Gujarat	353.93	541.16
8	Haryana	414.76	504.49
9	Himachal Pradesh	394.28	504.49
10	Jammu & Kashmir	391.26	553.77
11	Jharkhand	366.56	451.24
12	Karnataka	324.17	599.66
13	Kerala	430.12	559.39
14	Madhya Pradesh	327.78	570.15
15	Maharashtra	362.25	665.90
16	Orissa	325.79	528.49
17	Punjab	410.38	466.16
18	Rajasthan	374.57	559.63
19	Tamil Nadu	351.86	547.42
20	Uttar Pradesh	365.84	483.26
21	Uttarakhand	478.02	637.67
22	West Bengal	382.82	449.32
	All-India #	356.30	538.60

The poverty line (implicit) at all-India level is worked out from the expenditure class-wise distribution of persons (based on URP-consumption, that is, consumption data collected from 30 -day recall period for all items) and the poverty ratio at all-India level. The poverty ratio at all-India is obtained as the weighted average of the state-wise poverty ratio.

Annexure-II

Annexure referred to in reply to Lok Sabha Unstarred Question No. 1182 due for reply on 7.3.2008

Average Monthly Per Capita Consumption Expenditure of the population below poverty line (BPL) during the year 2004-05

S. No.	States	Rural	Urban
1	Andhra Pradesh	245.85	436.41
2	Assam	327.29	330.37
3	Bihar	287.58	345.63
4	Chhattisgarh	249.62	395.11
5	Delhi	392.41	512.31
6	Goa	339.08	523.36
7	Gujarat	293.93	450.30
8	Haryana	344.52	401.37
9	Himachal Pradesh	338.27	353.26
10	J ammu & Kashmir	341.54	437.99
11	Jharkhand	288.78	360.83
12	Karnataka	280.99	441.15
13	Kerala	345.21	491.79
14	Madhya Pradesh	257.63	407.71
15	Maharashtra	285.52	339.40
16	Orissa	242.04	371.47
17	Punjab	356.07	428.43
18	Rajasthan	317.11	440.59
19	Tamil Nadu	295.93	437.19
20	Uttar Pradesh	296.57	368.91
21	Uttrarakhand	388.73	493.32
22	West Bengal	314.01	382.10
	All India	286.13	416.14